

**DEPARTMENT OF THE INTERIOR**

**Bureau of Ocean Energy Management (BOEM)**

**Central Gulf of Mexico Planning Area (CPA) Outer Continental Shelf (OCS) Oil and Gas Lease Sale 227**

**AGENCY:** Bureau of Ocean Energy Management, Interior

**ACTION:** Final Notice of Sale

**SUMMARY:** On Wednesday, March 20, 2013, BOEM will open and publicly announce bids received for blocks offered in CPA Sale 227, in accordance with the provisions of the OCS Lands Act (OCSLA, 43 U.S.C. 1331-1356, as amended) and the regulations issued thereunder (30 CFR part 556). The CPA 227 Final Notice of Sale (NOS) package (Final NOS Package) contains information essential to potential bidders, and bidders are charged with knowing the contents of the documents contained in that package. The Final NOS Package is available at the address and website below.

**DATES:** Public bid reading for CPA Sale 227 will begin at 9 a.m., Wednesday, March 20, 2013, at the Mercedes-Benz Superdome, 1500 Sugarbowl Drive, New Orleans, Louisiana 70112. The lease sale will be held in the St. Charles Club Room on the second floor (Loge Level). Entry to the Superdome will be on the Poydras Street side of the building through Gate A on the Ground Level; parking will be available at Garage 6. All times referred to in this document are local New Orleans time, unless otherwise specified.

**BID SUBMISSION DEADLINE:** BOEM must receive all sealed bids between 8 a.m. and 4 p.m. on normal working days, and from 8 a.m. to the Bid Submission Deadline of 10:00 a.m. on Tuesday, March 19, 2013, the day before the lease sale. For more information on bid submission, see Section VII “Bidding Instructions” of this document.

**ADDRESS:** Interested parties can obtain a Final NOS Package by contacting the Gulf of Mexico (GOM) Region at:

Gulf of Mexico Region Public Information Office  
Bureau of Ocean Energy Management  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394  
(504) 736-2519 or (800) 200-GULF

Or by visiting the BOEM website: <http://www.boem.gov/About-BOEM/BOEM-Regions/Gulf-of-Mexico-Region/Index.aspx>

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## I. LEASE SALE AREA

**Areas Offered for Leasing:** In CPA Sale 227, BOEM is offering to lease all blocks and partial blocks listed in the document “List of Blocks Available for Leasing” included in the Final NOS Package. All of these blocks are shown on the following leasing maps and Official Protraction Diagrams (OPDs):

### **Outer Continental Shelf Leasing Maps - Louisiana Map Numbers 1 through 12** (These 30 maps sell for \$2.00 each)

LA1	West Cameron Area (Revised July 1, 2011)
LA1A	West Cameron Area, West Addition (Revised February 28, 2007)
LA1B	West Cameron Area, South Addition (Revised February 28, 2007)
LA2	East Cameron Area (Revised November 1, 2000)
LA2A	East Cameron Area, South Addition (Revised November 1, 2000)
LA3	Vermilion Area (Revised November 1, 2000)
LA3A	South Marsh Island Area (Revised November 1, 2000)
LA3B	Vermilion Area, South Addition (Revised November 1, 2000)
LA3C	South Marsh Island Area, South Addition (Revised November 1, 2000)
LA3D	South Marsh Island Area, North Addition (Revised November 1, 2000)
LA4	Eugene Island Area (Revised November 1, 2000)
LA4A	Eugene Island Area, South Addition (Revised November 1, 2000)
LA5	Ship Shoal Area (Revised November 1, 2000)
LA5A	Ship Shoal Area, South Addition (Revised November 1, 2000)
LA6	South Timbalier Area (Revised November 1, 2000)
LA6A	South Timbalier Area, South Addition (Revised November 1, 2000)
LA6B	South Pelto Area (Revised November 1, 2000)
LA6C	Bay Marchand Area (Revised November 1, 2000)
LA7	Grand Isle Area (Revised November 1, 2000)
LA7A	Grand Isle Area, South Addition (Revised February 17, 2004)
LA8	West Delta Area (Revised November 1, 2000)
LA8A	West Delta Area, South Addition (Revised November 1, 2000)
LA9	South Pass Area (Revised November 1, 2000)
LA9A	South Pass Area, South and East Additions (Revised November 1, 2000)
LA10	Main Pass Area (Revised November 1, 2000)
LA10A	Main Pass Area, South and East Additions (Revised November 1, 2000)
LA10B	Breton Sound Area (Revised November 1, 2000)
LA11	Chandeleur Area (Revised November 1, 2000)
LA11A	Chandeleur Area, East Addition (Revised November 1, 2000)
LA12	Sabine Pass Area (Revised July 1, 2011)

## Outer Continental Shelf Official Protraction Diagrams

(These 19 diagrams sell for \$2.00 each.)

NG15-02	Garden Banks (Revised February 28, 2007)
NG15-03	Green Canyon (Revised November 1, 2000)
NG15-05	Keathley Canyon (Revised February 28, 2007)
NG15-06	Walker Ridge (Revised November 1, 2000)
NG15-08	Sigsbee Escarpment (Revised February 28, 2007)
NG15-09	Amery Terrace (Revised October 25, 2000)
NG16-01	Atwater Valley (Revised November 1, 2000)
NG16-02	Lloyd Ridge (Revised August 1, 2008)
NG16-04	Lund (Revised November 1, 2000)
NG16-05	Henderson (Revised August 1, 2008)
NG16-07	Lund South (Revised November 1, 2000)
NG16-08	Florida Plain (Revised February 28, 2007)
NH15-12	Ewing Bank (Revised November 1, 2000)
NH16-04	Mobile (Revised July 1, 2011)
NH16-05	Pensacola (Revised February 28, 2007)
NH16-07	Viosca Knoll (Revised November 1, 2000)
NH16-08	Destin Dome (Revised February 28, 2007)
NH16-10	Mississippi Canyon (Revised November 1, 2000)
NH16-11	De Soto Canyon (Revised August 1, 2008)

### **Please Note:**

These GOM leasing maps and OPDs are available for free online in .pdf and .gra formats at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Mapping-and-Data/Official-Protraction-Diagrams.aspx>.

For the current status of all CPA leasing maps and OPDs, please refer to 66 FR 28002 (published May 21, 2001), 69 FR 23211 (published April 28, 2004), 72 FR 27590 (published May 16, 2007), 72 FR 35720 (published June 29, 2007), 73 FR 63505 (published October 24, 2008), and 76 FR 54787 (published September 2, 2011).

All blocks are shown on these leasing maps and OPDs. The available Federal acreage of all whole and partial blocks in this lease sale is shown in the document "List of Blocks Available for Leasing" included in the Final NOS Package. Some of these blocks may be partially leased or deferred, or transected by administrative lines such as the Federal/state jurisdictional line. A bid on a block must include all of the available Federal acreage of that block. Information on the unleased portions of such blocks is found in the document "Central Planning Area, Lease Sale 227, March 20, 2013 - Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease or Deferred" included in the Final NOS Package.

For additional information, please call Mr. Lenny Coats, Chief of the Mapping and Automation Section, at (504) 736-1457.

**Areas Not Offered for Leasing:** The following whole and partial blocks are not offered for lease in this sale:

Whole and partial blocks deferred by the Gulf of Mexico Energy Security Act of 2006, Pub. L. 109-432:

Pensacola (OPD NH 16-05)

Whole Blocks: 751 through 754, 793 through 798, 837 through 842, 881 through 886, 925 through 930, and 969 through 975

Destin Dome (OPD NH 16-08)

Whole Blocks: 1 through 7, 45 through 51, 89 through 96, 133 through 140, 177 through 184, 221 through 228, 265 through 273, 309 through 317, 353 through 361, 397 through 405, 441 through 450, 485 through 494, 529 through 538, 573 through 582, 617 through 627, 661 through 671, 705 through 715, 749 through 759, 793 through 804, 837 through 848, 881 through 892, 925 through 936, and 969 through 981

DeSoto Canyon (OPD NH 16-11)

Whole Blocks: 1 through 15, 45 through 59, and 92 through 102

Partial Blocks: 16, 60, 61, 89 through 91, 103 through 105, and 135 through 147

Henderson (OPD NG 16-05)

Partial Blocks: 114, 158, 202, 246, 290, 334, 335, 378, 379, 422, and 423

Blocks that are adjacent to or beyond the United States Exclusive Economic Zone in the area known as the northern portion of the Eastern Gap:

Lund South (OPD NG 16-07)

Whole Blocks: 128, 129, 169 through 173, 208 through 217, 248 through 261, 293 through 305, and 349

Henderson (OPD NG 16-05)

Whole Blocks: 466, 508 through 510, 551 through 554, 594 through 599, 637 through 643, 679 through 687, 722 through 731, 764 through 775, 807 through 819, 849 through 862, 891 through 905, 933 through 949, and 975 through 992

Partial Blocks: 467, 511, 555, 556, 600, 644, 688, 732, 776, 777, 820, 821, 863, 864, 906, 907, 950, 993, and 994

Florida Plain (OPD NG 16-08)

Whole Blocks: 5 through 24, 46 through 67, 89 through 110, 133 through 154, 177 through 197, 221 through 240, 265 through 283, 309 through 327, and 363 through 370

Whole and partial blocks that lie within the 1.4 nautical mile buffer zone north of the Continental Shelf Boundary between the United States and Mexico:

Amery Terrace (OPD NG 15-09)

Whole Blocks: 280, 281, 318 through 320, and 355 through 359

Partial Blocks: 235 through 238, 273 through 279, and 309 through 317

Sigsbee Escarpment (OPD NG 15-08)

Whole Blocks: 239, 284, and 331 through 341

Partial Blocks: 151, 195, 196, 240, 241, 285 through 298, and 342 through 349

Blocks that are deferred until measures to ensure the safety of planned decommissioning operations are completed:

Green Canyon (OPD NG15-03)

Block 20

**Please Note:**

**Bids on Blocks near the U.S.-Mexico Maritime and Continental Shelf Boundary**

The following definitions apply to this section:

“Agreement” refers to the agreement between the United Mexican States and the United States of America that addresses identification and unitization of transboundary hydrocarbon reservoirs, allocation of production, inspections, safety, and environmental protection. A copy of the Agreement can be found at <http://www.boem.gov/BOEM-Newsroom/Library/Boundaries-Mexico.aspx>.

“Boundary Area” means an area comprised of any and all blocks in the CPA that are located or partially located within three statute miles of the maritime and continental shelf boundary with Mexico, as that maritime boundary is delimited in the November 24, 1970 Treaty to Resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary; the May 4, 1978 Treaty on Maritime Boundaries between the United Mexican States and the United States of America; and the June 9, 2000 Treaty on the Continental Shelf between the Government of the United Mexican States and the Government of the United States of America.

The Agreement was signed on February 20, 2012, but has not yet entered into force. Bids submitted on any available block in the “Boundary Area” (as defined previously) may be segregated from bids submitted on blocks outside the Boundary Area. Bids submitted on available blocks outside the Boundary Area will be opened on the date scheduled for sale. Bids submitted on available blocks in the Boundary Area may not be opened on the date scheduled for the sale, but may be opened at a later date. Within 30 days after the approval of the Agreement such that its terms to enter into force, or by September 30, 2013, whichever occurs first, the Secretary of the Interior will determine whether it is in the best interest of the United States either to open bids for available Boundary Area blocks or to return the bids unopened.

In the event the Secretary decides to open bids on available blocks in the Boundary Area, BOEM will notify such bidders at least 30 days prior to opening such bids, and will describe the terms of the Agreement under which leases in the Boundary Area will be issued as applicable. Bidders on these blocks may withdraw their bids at any time after such notice up until 10 a.m. of the day before bid opening. If BOEM does not give notice within 30 days of approval of the Agreement as described above, or by September 30, 2013, whichever comes first, BOEM will return the bids unopened. This timing will allow potential bidders to make decisions regarding the next annual CPA lease sale (anticipated in 2014), which may also offer blocks in this area. BOEM currently anticipates that blocks in the Boundary Area that are not awarded as a result of CPA Sale 227 would be reoffered in the next CPA lease sale. BOEM reserves the right to return these bids at any time. BOEM will not disclose which blocks received bids or the names of bidders in this area unless and until the bids are opened.

The following whole and partial blocks comprise the entire Boundary Area (not all of which are available under CPA Sale 227):

Sigsbee Escarpment – 151, 152, 195, 196, 197, 239, 240, 241, 242, 243, 284, 285, 286, 287, 288\*, 289\*, 290\*, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349

Amery Terrace – 118, 119, 120, 121, 122, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 265, 266, 267, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 355, 356, 357, 358, 359

Lund South – 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 293, 294, 295, 296

\* Leased

## **II. STATUTES AND REGULATIONS**

Each lease is issued pursuant to OCSLA, regulations promulgated pursuant thereto, other applicable statutes and regulations in existence upon the effective date of the lease, and those applicable statutes enacted (including amendments to OCSLA or other statutes) and regulations promulgated thereafter, except to the extent they explicitly conflict with an express provision of the lease. Amendments to existing statutes and regulations, including but not limited to OCSLA, as well as the enactment of new statutes and promulgation of new regulations that do not explicitly conflict with an express provision of the lease, will apply to leases issued as a result of this sale. Moreover, the lessee expressly bears the risk that such new statutes and regulations (i.e., those that do not explicitly conflict with an express provision of the lease) may increase or decrease the lessee's obligation under the lease.

### III. LEASE TERMS AND ECONOMIC CONDITIONS

#### Lease Terms

##### **OCS Lease Form**

BOEM will use Form BOEM-2005 (October 2011) to convey leases resulting from this sale. This lease form may be viewed on the BOEM website at <http://www.boem.gov/About-BOEM/Procurement-Business-Opportunities/BOEM-OCS-Operation-Forms/BOEM-2005.aspx>. The lease form will be amended to conform with the specific terms, conditions, and stipulations applicable to the individual lease.

##### **Initial Periods**

Initial periods are summarized in the following table:

<b>Water Depth in Meters</b>	<b>Initial Periods</b>
<b>0 to &lt; 400</b>	Standard initial period is 5 years; the lessee may earn an additional 3 years (i.e., for an 8-year extended initial period), if a well is spudded targeting hydrocarbons below 25,000 feet True Vertical Depth Subsea (TVD SS) during the first 5 years of the lease
<b>400 to &lt; 800</b>	Standard initial period is 5 years; the lessee will earn an additional 3 years (i.e., for an 8-year extended initial period), if a well is spudded during the first 5 years of the lease
<b>800 to &lt; 1,600</b>	Standard initial period is 7 years; the lessee will earn an additional 3 years (i.e., for a 10-year extended initial period), if a well is spudded during the first 7 years of the lease
<b>1,600 +</b>	10 years

- (1) The standard initial period for a lease in water depths of less than 400 meters issued from this sale is 5 years. If the lessee spuds a well targeting hydrocarbons below 25,000 feet TVD SS within the first 5 years of the lease, then the lessee may earn an additional 3 years, for an 8-year extended initial period. The lessee will earn the 8-year extended initial period in cases where the well is drilled to a target below 25,000 feet TVD SS, or the lessee may earn the 8-year extended initial period in cases where the well targets, but does not reach, a depth below 25,000 feet TVD SS due to mechanical or safety reasons, where sufficient evidence is provided.

In order to earn the 8-year extended initial period, the lessee is required to submit a letter to the Bureau of Safety and Environmental Enforcement (BSEE) GOM Regional Supervisor for Production and Development (RSPD) within 30 days after completion of the drilling operation. The letter must include: (1) the well number; (2) spud date; (3) information demonstrating a target below 25,000 feet TVD SS and whether that target was reached; and (4) if applicable, any safety, mechanical, or other problems encountered that prevented the well from reaching a depth below 25,000 feet TVD SS. The RSPD must concur in writing that the conditions have been met in order for the lessee to earn the 8-year extended initial period. The RSPD will provide a written response within 30 days of receipt of the lessee's letter.

A lessee who earns an 8-year extended initial period by spudding a well with a hydrocarbon target below 25,000 feet TVD SS during the first 5 years of the lease, confirmed by the RSPD, will not be eligible for a suspension for that same period under the regulations at 30 CFR 250.175 because the lease is not at risk of expiring.

- (2) The standard initial period for a lease in water depths of 400 meters to less than 800 meters issued from this sale is 5 years. The lessee will earn an additional 3 years, for an 8-year extended initial period, if the lessee spuds a well within the first 5 years of the lease.

In order to earn the 8-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee has earned the 8-year extended initial period. The BSEE District Manager will review the request and make a written determination within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 8-year extended initial period.

- (3) The standard initial period for a lease in water depths of 800 meters to less than 1,600 meters issued from this sale will be 7 years. The lessee will earn an additional 3 years, for a 10-year extended initial period, if the lessee spuds a well within the first 7 years of the lease.

In order to earn the 10-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee earned the 10-year extended initial period. The BSEE District Manager will review the request and make a written determination within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 10-year extended initial period.

- (4) The standard initial period for a lease in water depths of 1,600 meters or greater issued from this sale will be 10 years.

## **Economic Conditions**

### **Minimum Bonus Bid Amounts**

- \$25.00 per acre or fraction thereof for blocks in water depths of less than 400 meters
- \$100.00 per acre or fraction thereof for blocks in water depths of 400 meters or deeper

BOEM will not accept a bonus bid unless it provides for a cash bonus in the amount equal to, or exceeding, the specified minimum bid of \$25.00 per acre or fraction thereof for blocks in water depths of less than 400 meters, and \$100.00 per acre or fraction thereof for blocks in water depths of 400 meters or deeper.

## Rental Rates

Annual rental rates are summarized in the following table:

<b>Rental Rates per Acre or Fraction Thereof</b>		
<b>Water Depth in Meters</b>	<b>Years 1-5</b>	<b>Years 6, 7 &amp; 8 +</b>
<b>0 to &lt; 200</b>	\$7.00	\$14.00, \$21.00 & \$28.00
<b>200 to &lt; 400</b>	\$11.00	\$22.00, \$33.00 & \$44.00
<b>400 +</b>	\$11.00	\$16.00

### **Escalating Rental Rates for Leases with an 8-Year Extended Initial Period in Water Depths of Less than 400 Meters**

Any lease in water depths less than 400 meters that earns an 8-year extended initial period will pay an escalating rental rate as shown above. The rental rates after the fifth year for blocks in less than 400 meters will become fixed and no longer escalate if another well is spudded targeting hydrocarbons below 25,000 feet TVD SS after the fifth year of the lease, and BSEE concurs that such a well has been spudded. In this case, the rental rate will become fixed at the rental rate in effect during the lease year in which the additional well was spudded.

### **Royalty Rate**

- 18.75 percent

### **Minimum Royalty Rate**

- \$7.00 per acre or fraction thereof per year for blocks in water depths of less than 200 meters
- \$11.00 per acre or fraction thereof per year for blocks in water depths of 200 meters or deeper

### **Royalty Suspension Provisions**

Leases with royalty suspension volumes (RSVs) are authorized under existing BSEE regulations at 30 CFR part 203 and BOEM regulations at 30 CFR part 560.

### **Deep and Ultra-Deep Gas Royalty Suspensions**

A lease issued as a result of this sale may be eligible for RSV incentives for deep and ultra-deep wells pursuant to 30 CFR part 203, implementing requirements of the Energy Policy Act of 2005. These RSV incentives are conditioned upon applicable price thresholds.

- Certain wells on leases in 0 to less than 400 meters of water depth completed to a drilling depth of 20,000 feet TVD SS or deeper may receive an RSV of 35 billion cubic feet of natural gas.
- Certain wells on leases in 200 to less than 400 meters of water depth completed to a drilling depth from 15,000 to 20,000 feet TVD SS that begin production before May 3, 2013, may receive smaller RSV incentives.

#### **IV. LEASE STIPULATIONS**

One or more of the following stipulations will be applied to leases resulting from this sale as applicable. The detailed text of these stipulations is contained in the Lease Stipulations section of the Final NOS Package:

- (1) Topographic Features
- (2) Live Bottoms
- (3) Military Areas
- (4) Evacuation
- (5) Coordination
- (6) Blocks South of Baldwin County, Alabama
- (7) Law of the Sea Convention Royalty Payment
- (8) Protected Species
- (9) Below Seabed Operations
- (10) Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico

#### **V. INFORMATION TO LESSEES**

The “Information to Lessees” (ITL) clauses provide detailed information on certain issues pertaining to this oil and gas lease sale. The detailed text of these ITL clauses is contained in the “Information to Lessees” section of the Final NOS Package:

- (1) Navigation Safety
- (2) Ordnance Disposal Areas
- (3) Communications Towers

- (4) Existing and Proposed Artificial Reefs/Rigs to Reefs
- (5) Lightering Zones
- (6) Indicated Hydrocarbons List
- (7) Military Areas
- (8) Safety Zones for Certain Production Facilities
- (9) Bureau of Safety and Environmental Enforcement (BSEE) Inspection and Enforcement of Certain Coast Guard Regulations
- (10) Ocean Dredged Material Disposal Sites
- (11) Potential Sand Dredging Activities
- (12) Below Seabed Operations
- (13) Commercial Waste Disposal Areas
- (14) Air Quality Permits
- (15) Notice of Arrival on the Outer Continental Shelf
- (16) Bids on Blocks near U.S.-Mexico Maritime and Continental Shelf Boundary

## **VI. MAPS**

The following maps are included in the Final NOS Package; they also may be found on the BOEM website at <http://www.boem.gov/sale-227/>.

### **Lease Terms and Economic Conditions Map**

The lease terms and economic conditions and the blocks to which these terms and conditions apply are shown on the map “Final, Central Planning Area, Lease Sale 227, March 20, 2013, Lease Terms and Economic Conditions” included in the Final NOS Package.

### **Stipulations and Deferred Blocks Map**

The blocks on which one or more lease stipulations apply are shown on the map, “Final, Central Planning Area, Lease Sale 227, March 20, 2013, Stipulations and Deferred Blocks Map,” included in the Final NOS Package.

## **VII. BIDDING INSTRUCTIONS**

Instructions on how to submit a bid, secure payment of the advance bonus bid deposit (if applicable), and what information must be included with the bid are as follows:

## **Bid Form**

For each block bid upon, a separate sealed bid shall be submitted in a sealed envelope (as described below) and must include the following:

- total amount of the bid in whole dollars only;
- sale number;
- sale date;
- each bidder's exact name;
- each bidder's proportionate interest, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333%);
- typed name and title, and signature of each bidder's authorized officer;
- each bidder's GOM company number;
- map name and number or OPD name and number;
- block number; and
- statement acknowledging that the bidder(s) understand that this bid legally binds the bidder(s) to comply with all applicable regulations including payment of one-fifth of the bonus bid amount on all apparent high bids.

The information required on the bid(s) is specified in the document "Bid Form" contained in the Final NOS Package. A blank bid form has been provided therein for convenience and may be copied and completed with the necessary information described above.

## **Bid Envelope**

Each bid must be submitted in a separate sealed envelope labeled as follows:

- "Sealed Bid for Oil and Gas Lease Sale 227, not to be opened until 9 a.m. Wednesday, March 20, 2013" or if the bid is on a block in the U.S.-Mexico Maritime Boundary Area, "Sealed Bid for Oil and Gas Lease Sale 227 U.S.-Mexico Maritime Boundary Bid, not to be opened until Transboundary Agreement is approved by Congress or September 30, 2013;"
- map name and number or OPD name and number;
- block number for block bid upon; and
- the exact name and GOM company number of the submitting bidder only.

The Final NOS Package includes a sample bid envelope for reference.

## **Mailed Bids**

If bids are mailed, please address the envelope containing the sealed bid envelope(s) as follows:

Attention: Leasing and Financial Responsibility Section  
BOEM Gulf of Mexico Region  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394

**Contains Sealed Bids for CPA Oil and Gas Lease Sale 227**  
**Please Deliver to Ms. Cindy Thibodeaux or Ms. Kasey Couture,**  
**2<sup>nd</sup> Floor, Immediately**

### **Please Note:**

Bidders mailing bid(s) are advised to call Ms. Cindy Thibodeaux at (504) 736-2809, or Ms. Kasey Couture at (504) 736-2909, immediately after putting their bid(s) in the mail. If BOEM receives bids later than the Bid Submission Deadline, the BOEM Regional Director (BOEM RD) will return those bids unopened to bidders. Should an unexpected event, such as flooding or travel restrictions be significantly disruptive to bid submission, BOEM may extend the Bid Submission Deadline. Bidders may call (504) 736-0557 or access the BOEM Gulf of Mexico Regional website at <http://www.boem.gov/About-BOEM/BOEM-Regions/Gulf-of-Mexico-Region/Index.aspx> for information about the possible extension of the Bid Submission Deadline due to such an event.

### **Advance Bonus Bid Deposit Guarantee**

Bidders that are not currently an OCS oil and gas lease record title holder or designated operator or those that ever have defaulted on a one-fifth bonus bid deposit, by Electronic Funds Transfer (EFT) or otherwise, must guarantee (secure) the payment of the one-fifth bonus bid deposit prior to bid submission using one of the following four methods:

- provide a third-party guarantee;
- amend areawide development bond via bond rider;
- provide a letter of credit; or
- provide a lump sum payment in advance via EFT.

For more information on EFT procedures, see “The Lease Sale” Section X of this document.

### **Affirmative Action**

BOEM requires that, prior to bidding, the bidder file Equal Opportunity Affirmative Action Representation Form BOEM-2032 (October 2011) and Equal Opportunity Compliance Report

Certification Form BOEM-2033 (October 2011) in the BOEM Gulf of Mexico Region Adjudication Section. This certification is required by 41 CFR part 60 and Executive Order No. 11246, issued September 24, 1965, as amended by Executive Order No. 11375, issued October 13, 1967. Please note that both forms are required to be on file for the bidder(s) in the GOM Region Adjudication Section prior to the execution of any lease contract.

### **Geophysical Data and Information Statement (GDIS)**

Pursuant to 30 CFR 551.12, BOEM has a right to access geophysical data and information collected under a permit in the OCS. Every bidder submitting a bid on a block in CPA Sale 227, or participating as a joint bidder in such a bid, must submit at the time of bid submission a GDIS in a separate and sealed envelope, identifying all proprietary data; reprocessed speculative data and/or any Controlled Source Electromagnetic surveys, Amplitude Versus Offset, Gravity or Magnetic data; or other information used as part of the decision to bid or participate in a bid on the block.

A bidder must submit the GDIS even if its joint bidder or bidders on a specific block also have submitted a GDIS. Any speculative data that has been reprocessed externally or “in-house” is considered proprietary due to the proprietary processing and is no longer considered to be speculative. The GDIS should clearly state who did the reprocessing (e.g., external company name or “in-house”). In addition, the GDIS should clearly identify the data type (e.g., 2-D, 3-D, or 4-D, pre-stack or post-stack, and time or depth); areal extent (i.e., number of line miles for 2-D or number of blocks for 3-D) and migration algorithm (e.g., Kirchhoff Migration, Wave Equation Migration, Reverse Migration, Reverse Time Migration) of the data; velocity models used; and other requested metadata. The statement also must include the name; phone number, and full address of a contact person and an alternate who are both *knowledgeable* about the information and data listed and *available* for 30 days post-sale; the processing company; date processing was completed; owner of the original data set (who initially acquired the data); and original data survey name and permit number. Seismic survey information also should include the computer storage size, to the nearest megabyte, of each seismic data set and velocity volume used to evaluate the lease block in question. This will be used in estimating the reproduction costs for each data set during the requisition process prior to requesting data. BOEM reserves the right to query alternate data sets, to quality check, and to compare the listed and alternative data sets to determine which data set most closely meets the needs of the fair market value determination process.

The GDIS must also include entries for all blocks bid upon that did not use proprietary or reprocessed pre- or post-stack geophysical data and information as part of the decision to bid or to participate as a joint bidder in the bid. The GDIS must be submitted even if no proprietary geophysical data and information were used in bid preparation for the block.

In the event a person (as defined at 30 CFR 556.43) supplies any type of data to BOEM, that person must meet the following requirements to qualify for reimbursement:

- (1) Persons must be registered with the System for Award Management (SAM), formerly known as the Central Contractor Registration (CCR). Your CCR username will not work in SAM. A new SAM User Account is needed to register or update your entity’s records. The website for registering is <https://www.sam.gov>.

- (2) Persons must be enrolled in the Department of Treasury's Internet Payment Platform (IPP) for electronic invoicing. The person must enroll at the IPP (<https://www.ipp.gov/>) if it has not already done so. Access then will be granted to use IPP for submitting requests for payment. When a request for payment is submitted, it must include the assigned Purchase Order Number on the request.
- (3) Persons must have a current On-line Representations and Certifications Application at <https://www.sam.gov>

**Please Note:**

The GDIS Information Table can be submitted digitally as an Excel spreadsheet on a CD or DVD. If you have any questions, please contact Ms. Dee Smith at (504) 736-2706, or Mr. John Johnson at (504) 736-2455.

**Telephone Numbers/Addresses of Bidders**

BOEM requests that bidders provide this information in the suggested format prior to or at the time of bid submission. This form shall not be enclosed inside the sealed bid envelope.

**Additional Documentation**

BOEM may require bidders to submit other documents in accordance with 30 CFR 556.46.

**VIII. BIDDING RULES AND RESTRICTIONS**

**Restricted Joint Bidders**

BOEM published in the *Federal Register* a List of Restricted Joint Bidders, which applies to this lease sale, at 77 FR 64826 on October 23, 2012. Please refer to joint bidding provisions at 30 CFR 556.41 for additional restrictions.

**Authorized Signatures**

All bidders must execute all documents in conformance with signatory authorizations on file in the BOEM Gulf of Mexico Region Adjudication Office. Designated signatories must be authorized to bind their respective legal business entity (e.g., a corporation, partnership, or LLC) and must have an incumbency certificate setting forth the authorized signatories on file with the BOEM Gulf of Mexico Region Adjudication Office. Bidders submitting joint bids must include on the bid form the proportionate interest of each participating bidder, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333 percent) with total interest equaling 100 percent.

Bidders are advised that BOEM considers the signed bid to be a legally binding obligation on the part of the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid on all high bids. A statement to this effect must be included on each bid form (see the document "Bid Form" contained in the Final NOS Package).

## **Unlawful Combination or Intimidation**

BOEM warns bidders against violation of 18 U.S.C. 1860, prohibiting unlawful combination or intimidation of bidders.

## **Bid Withdrawal**

Bids may be withdrawn only by written request delivered to BOEM prior to the Bid Submission Deadline. The withdrawal request must be on company letterhead and must contain the bidder's name, its company number, the map name/number, and the block number(s) of the bid(s) to be withdrawn. The request must be in conformance with signatory authorizations on file in the BOEM Gulf of Mexico Region Adjudication Office. Signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC) and must have: (1) an incumbency certificate and/or (2) specific power of attorney setting forth express authority to act on the business entity's behalf for purposes of bidding and lease execution under OCSLA. The name and title of the signatory must be typed under the signature block on the withdrawal letter. Upon the BOEM Regional Director's (RD), or his designee's, approval of such requests, he or she will indicate their approval by signing and dating the withdrawal request.

## **Bid Rounding**

The bonus bid amount must be stated in whole dollars. If the acreage of a block contains a decimal figure, then prior to calculating the minimum bonus bid, bidders must round up to the next whole acre. The appropriate minimum rate per acre is then applied to the whole (rounded up) acreage. If this calculation results in a fractional dollar amount, bidders must round up to the next whole dollar amount. The bonus bid amount must be greater than or equal to the minimum bonus bid. Minimum bonus bid calculations, including all rounding, for all blocks are shown in the document "List of Blocks Available for Leasing" included in the Final NOS Package.

## **IX. FORMS**

The Final NOS Package includes forms, samples, and the preferred format for the following items. Bidders are strongly encouraged to use these formats; should bidders use another format, they are responsible for including all the information specified for each item in this Final NOS Package.

- (1) Bid Form
- (2) Sample Completed Bid
- (3) Sample Bid Envelope
- (4) Sample Bid Mailing Envelope
- (5) Telephone Numbers/Addresses of Bidders Form
- (6) GDIS Form
- (7) GDIS Envelope Form

## **X. THE LEASE SALE**

### **Bid Opening and Reading**

Sealed bids received in response to the Final NOS will be opened at the place, date and hour specified in this Final NOS. The opening of the bids is for the sole purpose of publicly announcing and recording the bids received; no bids will be accepted or rejected at that time.

### **Bonus Bid Deposit for Apparent High Bids**

Each bidder submitting an apparent high bid must submit a bonus bid deposit to the U.S. Department of the Interior's Office of Natural Resources Revenue (ONRR) equal to one-fifth of the bonus bid amount for each such bid. A copy of the notification of the high bidder's one-fifth bonus liability may be obtained at the EFT Area outside the Bid Reading Room on the day of the bid opening, or it may be obtained on the BOEM website at <http://www.boem.gov/Sale-227/> under the heading "Notification of EFT 1/5 Bonus Liability." All payments must be deposited electronically into an interest-bearing account in the U.S. Treasury by 11 a.m. Eastern Time the day following bid reading (no exceptions). Account information is provided in the "Instructions for Making Electronic Funds Transfer Bonus Payments" found on the BOEM website identified above.

BOEM requires bidders to use EFT procedures for payment of one-fifth bonus bid deposits for CPA Sale 227, following the detailed instructions contained on the Payment Information Webpage that may be found on the ONRR website at <http://www.onrr.gov/FM/PayInfo.htm>. Acceptance of a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

### **Withdrawal of Blocks**

The United States reserves the right to withdraw any block from this lease sale prior to issuance of a written acceptance of a bid for the block.

### **Acceptance, Rejection, or Return of Bids**

The United States reserves the right to reject any and all bids. No bid will be accepted, and no lease for any block will be awarded to any bidder, unless the bidder has complied with all requirements of this Final NOS, including those set forth in the documents contained in the Final NOS Package and applicable regulations; the bid is the highest valid bid; and the amount of the bid has been determined to be adequate by the authorized officer. Any bid submitted that does not conform to the requirements of this Final NOS and Final NOS Package, OCSLA, or other applicable statute or regulation may be rejected and returned to the bidder. The U.S. Department of Justice and Federal Trade Commission will review the results of the lease sale prior to the acceptance of bids and issuance of leases for anti-trust issues. To ensure that the Government receives a fair return for the conveyance of leases from this sale, high bids will be evaluated in accordance with BOEM's bid adequacy procedures. A copy of current procedures, "Modifications to the Bid Adequacy Procedures" at 64 FR 37560 on July 12, 1999, can be obtained from the BOEM Gulf of Mexico Region Public Information Office, or via the BOEM Gulf of Mexico Region website at <http://www.gomr.mms.gov/homepg/lseale/bidadeq.html>.

## Lease Award

BOEM requires each bidder awarded a lease to: (1) execute all copies of the lease (Form BOEM-2005 (October 2011), as amended), (2) pay by EFT the balance of the bonus bid amount and the first year's rental for each lease issued in accordance with the requirements of 30 CFR 218.155 and 556.47(f); and (3) satisfy the bonding requirements of 30 CFR part 556, subpart I, as amended. ONRR requests that only one transaction be used for payment of the four-fifths bonus bid amount and the first year's rental.

## XI. DELAY OF SALE

The BOEM RD in the Gulf of Mexico Region has the discretion to change any date, time, and/or location specified in the Final NOS Package in case of a *force majeure* event that the BOEM RD deems may interfere with the carrying out of a fair and proper lease sale process. Such events may include, but are not limited to, natural disasters (e.g., earthquakes, hurricanes, and floods), wars, riots, acts of terrorism, fire, strikes, civil disorder, or other events of a similar nature. In case of such events, bidders should call (504) 736-0557, or access the BOEM website at <http://www.boem.gov> for information about any changes.

s/Tommy P. Beaudreau  
Tommy P. Beaudreau  
Director, Bureau of Ocean Energy Management

February 4, 2013  
Date